

Janus reopens funds after sharp fall

New investors add extra cash, help meet redemptions

By James Paton
ROCKY MOUNTAIN NEWS

A year ago, Brent Lynn was overwhelmed with cash.

Assets at the Janus Overseas Fund had swelled to about \$11 billion from \$3 billion two years earlier, forcing the manager to close the doors to new investors.

Too much money affects a manager's ability to stay nimble.

But the world has changed dramatically in 12 months.

Today, Lynn is reopening the gates after sustaining a loss of 52 percent in 2008. The fund's assets have fallen back to earth, slipping to \$3.7 billion.

Facing steep losses and a rise in withdrawals, scores of mutual funds across the country, including Janus Overseas, are again welcoming new investors.

The change at the Janus fund was disclosed in a filing on Monday with the Securities and Exchange Commission.

The Denver-based company also said it had reopened the Jan-

us Adviser International Growth Fund.

Many fund managers believe that bargains now abound after months of severe stock market declines. Reopening a fund gives them the ability to bring in extra money they can use to take advantage of those opportunities. The additional cash also can help meet redemptions.

"We believe this is in the best interests of existing shareholders," Janus spokeswoman Shelley Peterson said.

Although Janus Overseas has stumbled badly this year, sitting in the bottom 15 percent of the

pack, the fund's long-term numbers remain strong because of winning bets in previous years in India, Brazil and other international markets. The portfolio has gained 7.9 percent a year, on average, over the past five years, according to research firm Lipper. That puts the fund in the top 3 percent of its rival group.

Mutual funds close to new investors because too much money can force managers to stray from their strategies and to buy stocks they may otherwise avoid.

In late 2007, Lynn couldn't handle all the cash.

The fund had delivered an average annual return of more than 31 percent over a five-year period,

and investors rushed in hoping the gains would continue.

No one has that problem now. Fidelity Investments, the mutual fund giant, recently announced that it was reopening its Contrafund and Low-Priced Stock funds to new investors.

The fees that fund firms collect are based on asset levels, so limiting new investments in a fund also can limit revenue.

Janus' overall assets under management have declined sharply this year to about \$161 billion at the end of the third quarter.

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Janus
JNS:NYSE
\$7.51
▼ 7 cents

Developer bets on new Interlocken tower

Franklin's green, 11-story office one of few under way

By John Rebchook
ROCKY MOUNTAIN NEWS

The construction of speculative office buildings — those without any pre-leased clients — has come to a screeching halt in virtually every market, not only throughout the nation but worldwide, as developers grapple with the worst credit crunch in modern history.

But a Boston-area commercial real estate investment company, Franklin Street Partners, is quietly bucking the trend, breaking ground this month on an 11-story, 285,000-square-foot building in the Interlocken Business Park in Broomfield.

It is the only "spec" building that Franklin is developing anywhere in the country.

Chris Phenicie, who is listing the building with fellow CB Richard Ellis broker David Hart, said that Franklin's willingness to build a spec building when everyone else is forced to put construction plans on the back burner, is a huge vote of confidence in the Denver-area economy, especially its northwest corridor.

"They're making a reasonable bet. The Class A office space in Interlocken has only a 6.5 percent vacancy rate," Phenicie said.

Franklin is not releasing the value of the building, but experts estimate it at \$75 million, given current construction prices for what will be the greenest multi-tenant office building at Interlocken. It has been pre-certified as a gold LEED (Leadership in Energy and Environmental Design) building and is about a two-minute drive from the ConocoPhillips renewable research campus planned across U.S. 36.

"We're very excited about this project. We think it is a great opportunity," Will Friend, vice president and regional director of Franklin, said on Monday.

Friend said they do not disclose their financing arrangements, but "we are in a position to go forward and others are not. So when it opens in 2010 we think we will be in a very strong position."

The building, called 385 Interlocken Crescent, or the Central Park Tower, because it is next to a park by that name, is the third building in the Crescent series of buildings in Interlocken that Franklin owns.

The new one and the other two are being developed by Stephen Clarke of Prime West Development. Clarke also is a small investor in the new building.

"We've developed more office space in Interlocken than anyone else," Clarke said. "And on a personal level, I'm putting my money where my mouth is. I think that Franklin's timing is more than ideal."

Broker Phenicie said the building will be able to handle tenants as small as 2,000 square feet, all the way up to a single-user that would take the entire building of 285,612 square feet.

The Gold LEED certification will make it attractive to the growing renewable energy businesses between Boulder and Denver, as well as lawyers, architects, accountants and engineers that serve them, he added.

"The labor market for renewable energy in this market is arguably one of the best in the entire country," Phenicie said.

He noted the renewable energy collaborations between CU, CSU, the School of Mines, as well as the proximity to government entities such as the National Renewable Energy Laboratory, National Oceanic and Atmospheric Administration and the National Center for Atmospheric Research.

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Franklin Street Partners' 11-story "spec" building in Interlocken Business Park in Broomfield.